TERRA CARTA

For Nature, People & Planet

FOREWORD
by HRH The Prince of Wales

The interdependence between human health and planetary health has never been more clear. As we start a new decade, it is time to focus on the future we wish to build, and indeed leave, for generations to come. Humanity has made incredible progress over the past century, yet the cost of this progress has caused immense destruction to the planet that sustains us. We simply cannot maintain this course indefinitely.

To build a productive and sustainable future, it is critical that we accelerate and mainstream sustainability into every aspect of our economy. To move forward, there must be a center of gravity to catalyze such a monumental effort, and to mobilize the resources and incentives required. Over the past year, through my Sustainable Markets Initiative, I have convened leaders from across industries and almost every sector, and challenged them to identify ways to set our planet on a fundamentally more sustainable trajectory. Together, these outstanding business leaders have seized this opportunity to develop a charter of ambitious, but practical action. With these insights, I am launching this 'Terra Carta' as the basis of a recovery plan for Nature, People & Planet.

At this historic tipping point, with the lives and livelihoods of present and future generations in mind, the Terra Carta aims to provide a roadmap for acceleration towards an ambitious and sustainable future; one that will harness the power of Nature combined with the transformative power, innovation and resources of the private sector.

For nearly every problem we face, Nature, with the benefit of billions of years of evolution, has already provided us with the solutions. Universal principles rooted in the harmony of Nature's patterns, cycles and geometry, which ancient civilizations and indigenous peoples have known all too well, need to be harnessed to inform science, technology, design and engineering and can, in fact, drive a sustainable future. But time is fast running out and we are rapidly wiping out, through mass extinctions, many of Nature's unique treasure trove of species from which we can develop innovative and sustainable products for the future. Timelines for change must be brought forward if we are to make a transformative shift by the end of the decade and before it is too late.

Over the coming years, my Sustainable Markets Initiative will report on and update the Terra Carta regularly in order to reflect the rapid pace of change and the continuous progress being achieved around the world.

If we consider the legacy of our generation, more than 800 years ago, Magna Carta inspired a belief in the fundamental rights and liberties of people. As we strive to imagine the next 800 years of human progress, the fundamental rights and value of Nature must represent a step-change in our 'future of industry' and 'future of economy' approach. With this in mind, Nature, of which we are an integral part, lies at the heart of the 'Terra Carta'.

Today must be the decisive moment that we make sustainability the growth story of our time, while positioning Nature as the engine of our economy. To help us succeed, and to complement global efforts across public, private and philanthropic sectors, I am calling on CEOs from around the world to engage and play their part in leading the global transition. To guarantee our future, we have no other choice but to make each day count – and it must start today.

PREFACE
The Supporters of the Terra Carta,

Commit to supporting and rapidly accelerating the world's transition towards a sustainable future.

Recognize the urgency of the global climate, biodiversity and health crises and the stewardship with which we must act.

Acknowledge that to build a sustainable future, the transition must focus on a robust, positive and parallel impact for Nature, People & Planet.

Recognize that ensuring the integrity of all ecosystems, on land and below water, requires that climate, oceans, desertification and biodiversity be treated as one common system and addressed simultaneously.

Acknowledge that we need to make health our goal; individual health, community health, economic health and the health of our Natural resources (e.g. soil, air and water).

Take into account the value of diversity, recognizing that diversity is a strength that gives resilience to communities, systems and organizations.

Recognize the importance of 'local' – local traditions, languages and cultures along with local products, jobs and sustainability – and how these 'locals' connect and support each other in the wider tapestry of regional and global systems.

Acknowledge that Nature underpins the inherent prosperity, wellbeing and future of all people and the one planet we share. Further, that the restoration of the natural world is of common benefit to all humankind irrespective of borders.

Acknowledge that the required global trajectory is a sustainable one, where the private sector has a critical role to play. To accelerate along this trajectory, a 'future of industry' and 'future of economy' approach must be taken.

Take into account the need to ensure a skilled workforce and a cadre of leaders that are prepared to participate in a fair, inclusive, equitable and just transition towards a sustainable future.

Recognize that to scale sustainable solutions and investment, crossborder and longer-term 'mega' projects need to be explored, underscoring the importance of public, private and philanthropic collaboration.

Acknowledge the need for net zero commitments to be achieved by 2050 and, where possible, much sooner. Setting more ambitious timelines will emphasize and catalyze immediate action while encouraging continuous innovation and improvement.

Undertake to collaborate, share knowledge and ideas to propel the world towards sustainability at a faster pace through public, private and philanthropic collaboration.

STATEMENT OF INTENT

1. The Terra Carta will serve as the guiding mandate for HRH The Prince of Wales's Sustainable Markets Initiative (SMI).

2. The Terra Carta aims to provide an integrated roadmap towards an inspiring, inclusive, equitable, prosperous and sustainable future for the sake of present and future generations; one that will harness the power of Nature combined with the transformative power, innovation and resources of the private sector.

3. The aims of the Terra Carta will be met by:

    i. Furthering, and where possible exceeding, the goals and targets outlined in the Paris Climate Agreement, the Sustainable Development Goals, the Convention on Biological Diversity, the Convention to Combat Desertification and the UN Convention on the Law of the Sea.
    ii. Broadening the definition of sustainability, beyond simply net zero transition, to be inclusive of Nature, People, Planet, Equality and Prosperity.
    iii. Supporting the protection and restoration of a minimum of 30% of biodiversity, on land and below water, by 2030 and 50% by 2050.
    iv. Making global investment and financial flows consistent with a pathway towards low greenhouse gas emissions, climate-resilient development and Natural Capital/biodiversity restoration (on land and below water).
    v. Encouraging coordination, cooperation and cohesion within corporate and public-private-philanthropic domains.
    vi. Leveraging consumer and shareholder demand to drive sustainable transition and investment within the private sector.

4. The Terra Carta recognizes that each industry, business and investor needs to chart its own course to a more profitable and sustainable future, and that global, regional, local and industry variance exists. With the sustainable direction increasingly clear, the Terra Carta aims to encourage and provide a voluntary framework for each actor to accelerate along their respective transition journeys.

5. In targeting a global private sector and a diverse multi-industry audience, it is recognized that actions outlined by the Terra Carta will not apply equally to all. At the same time, to reach a sustainable future, the systems-level shift required relies on the leadership, resources and interdependence of diverse global, regional and local actors. With this multiplicity of actors, pulling in the same direction is critical.

6. The Terra Carta recognizes that no one action, industry or actor is, in itself, sufficient to solve the climate and biodiversity crisis. A multitude of actions, initiatives and investments are necessary. The more coordinated, aligned and mutually reinforcing these efforts are, the higher the likelihood of success.

7. The Terra Carta will be open to affirmation from any CEO, or equivalent, in any sector, that wishes to support the private sector's role in helping to build an inspiring, inclusive, equitable, prosperous and sustainable future. In 2021, COP15 (biodiversity) and COP26 (climate) will be critical milestones to demonstrate private sector commitment and action.

8. The Terra Carta is to be a living document that will be reported on and updated annually. This will allow the Terra Carta to keep up with global progress, technological evolution and a shifting investment landscape while seizing rapidly emerging opportunities developing around the world.

SECTION 1: REIMAGINING THE FUTURE

Article 1
Create Sustainable Industries

We have an incredible opportunity to reimagine and create entirely new sustainable industries, products, services and supply chains while in parallel helping to transition existing systems to a more sustainable trajectory. We must now put Nature, People & Planet at the heart of global value creation.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Making* a sustainable future the growth story of our time.
2. *Ensuring* a just and sustainable transition using a 'future of industry' and 'future of economy approach'.
3. *Leveraging* global innovation centers, moonshot and design thinking, disruptors, scientists, engineers, young people, artists, designers and thought leaders to expand the view what is possible in terms of a sustainable future and what it will take to get there.
4. *Exploring* and innovating around circular systems within planetary boundaries, a fundamental principle of sustainability.
5. *Creating* and accelerating sustainable industries, businesses, products, services and supply chains while working within and across industries to leapfrog and scale climate and Nature-positive solutions.
6. *Supporting* the harder-to-abate industries to more rapidly transition to a net zero and Nature-positive position, recognizing that these industries are part of the solution.
7. *Minimizing* waste and the exploitation of scarce natural resources on Earth and within our solar system. Further, commit to working towards protocols and regulations to avoid interference and exploitation of planetary ecosystems as technology brings us further into space exploration.
8. *Seeking* out and showcasing emerging solutions and 'living laboratories' to demonstrate and scale-up sustainable market opportunity.
9. *Encouraging* innovative financial instruments in order to scale and accelerate transition efforts across businesses, industries and countries.
10. *Making* net zero and Nature-positive commitments value chain driven.

SECTION 1: REIMAGINING THE FUTURE

Article 2
Default Sustainable

This means embedding genuine sustainability in our business models, analysis, decisions and actions. In other words, put simply, we need to put Nature, and the protection of Nature's capital – from which we draw an annual return – at the heart of how we operate. It also means further defining and developing the discipline and framework of sustainable markets and sustainable industries.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Embedding* a 'Nature, People & Planet' orientation, including 100% clean energy operations, into corporate vision and mission statements, operations, financing, reporting, consumer communications, procurement and supply chains, recognizing the importance of resilience and sustainability within industry systems.

2. *Engaging* board members, employees, shareholders and consumers in an ongoing improvement dialogue around ESG, transition roadmaps, sustainability priorities, game changers and reporting on sustainability targets.

3. *Making* sustainability the responsibility of the entire management team.

4. *Embracing* and fostering human ingenuity, creativity and design, along with advances in technology, to deliver the sustainable change needed across industry, business and investment systems.

5. *Sharing* lessons learned and best practices, while maintaining healthy competition, within and across industries to reduce duplication of effort and to enable acceleration, leapfrogging and scale-up to accelerate a sustainable future for the benefit of humanity.

6. *Improving* products and services to be people, climate and Nature-positive.

7. *Working* towards Carbon Neutrality and Net Zero across Scope 1, 2 and, where possible, Scope 3 emissions and to raise awareness and discussion of the need to resolve the unpriced externality of continued emissions, including an incentive structure to reduce those emissions. This includes ensuring Carbon Offsets are credible, transparent, and traceable.

8. *Regularly* communicating sustainability results to board members, employees, shareholders and consumers.

SECTION 1: REIMAGINING THE FUTURE

Article 3
The Power of Consumers

With consumers controlling an estimated 60% of global GDP, people around the world have the power to drive the transformation to sustainable markets. Yet, we cannot expect consumers to make sustainable choices if these choices are not clearly laid before them. As consumers increasingly demand sustainable products, they deserve to be told more about product lifecycles, supply chains and production methods. For a transition to take place, being socially and environmentally conscious cannot only be for those who can afford it. If all the true costs are taken into account, including the cost to Nature, being socially and environmentally responsible should be the least expensive option because it leaves the smallest footprint behind. We must communicate better with consumers about the sustainability of the goods, services and investments we offer.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Improving* consumer-level communication, transparency and education related to organizational sustainable impact and the sustainability footprint of products and services, inclusive of supply chains. Consumer and shareholder demand for disclosure, transparency and traceability can be powerful in moving both corporate behavior and regulation.
2. *Identifying*, developing and improving sustainable alternatives that are high in quality, consumer experience and affordability.
3. *Improving* consumer feedback loops to enhance satisfaction with the sustainability of products and services.
4. *Exploring* sustainability labelling and warranting to help inform consumer decision-making while driving-up demand for sustainable products and services.
5. *Working* within and across industries to make consumers aware of industry-wide efforts, helping consumers to make cross-industry comparisons.
6. *Supporting* industry-wide consumer awareness campaigns around sustainability, including the changes needed and being advanced around sustainable products and services across the value chain – noting sustainable impact on people, communities, Nature and climate goals.

SECTION 2: REDESIGNING NET ZERO & NATURE-POSITIVE TRANSITION

Article 4

Accelerate & Align Industry Roadmaps

It is time for businesses, industries, investors and countries alike to design and implement how they will decarbonize and transition to net zero while restoring and protecting Natural Capital. Moving together, with clear roadmaps, will create efficiencies and economies of scale that will allow us to leapfrog our collective progress and accelerate our transition. Using a 'future of industry and future of economy' approach, each of the main sectors of the economy, together with the global financial institutions, institutional investors and asset managers, need to outline publicly accessible roadmaps that identify the steps to net zero along with plans for the protection and restoration of Natural Capital and biodiversity. After all, we know that it is not a lack of capital that is impeding our progress, but how we deploy it.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Accelerating* net zero commitments to achieve them before the current target of 2050.

2. *Contributing* to industry efforts to establish, by January 2022 or before, publicly accessible roadmaps that will outline detailed steps for industry-level transition. Techniques to accelerate roadmaps will include: carbon emission reduction (Scope 1, 2, and 3), sustainable supply chains, sustainable alternatives, sustainable innovations and Natural Capital improvement. This includes the important work on plans for hard-to-abate industries. These industry roadmaps will aim to help guide companies in the development of their own roadmaps. The annual review of the Terra Carta will provide a state-of-play of industry roadmaps to support continuous improvement, robust innovation and acceleration over the decade. The Sustainable Markets Initiative offers a forum for outlining/formatting industry-specific roadmaps and how execution of the roadmaps may be accelerated, including provisions that:

   i. Seek to outline common industry commitments and challenges that need to be overcome to make the transition.
   ii. Identify common industry infrastructure and innovations required.
   iii. Explore the need for clearer ownership across the value chain, with defined roles and responsibilities.
   iv. Explore the integration of science-based targets into industry and company roadmaps to help guide impact efforts.
   v. Seek to include Scope 1, 2, and, where possible, 3 emissions as well as Natural Capital valuation within company roadmaps.
   vi. Explore bench-marking and warranting to accelerate roadmap progress.
   vii. Seek to report progress, at least annually, against stated targets to maintain transparency with consumers, shareholders, supply chains and wider stakeholders.
   viii. Identify barriers to acceleration and how to address, overcome and/or eliminate those barriers.

3. *Operationalizing* industry and company roadmaps by developing and designing the business and investment case to match growing demand for sustainable goods and services.

SECTION 2: REDESIGNING NET ZERO & NATURE-POSITIVE TRANSITION

Article 5
Game Changers and Barriers

We need to identify, showcase and invest in the game-changing technologies and solutions that are emerging around the world. To accelerate, we must also identify the barriers to progress, be it policy, regulation, infrastructure, investment or the wider enabling environment. It is only by seeking out and addressing these game changers and barriers that we will be able to make tangible progress.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Working* at a global industry-level, and at a cross-industry systems-level, to identify, communicate and remove barriers to acceleration and to identify and implement game-changing acceleration opportunities.

2. *Exploring* the potential and application of game-changing economic and financial incentives (market forces as in Article 8) such as carbon pricing, carbon offsetting, subsidies and lending practices along with the 'polluter pays' principle.

3. *Working* towards breaking the reliance on fossil fuels and to enhance clean energy and sustainable market readiness. This includes working to address, and proposing solutions for, regulatory barriers and the creation of appropriate incentives.

4. *Encouraging*, investing in and showcasing game-changing initiatives, innovations and technologies in the areas of greatest transition opportunity to demonstrate to the world what is possible for Nature, People & Planet (e.g. via RE:TV, SMI Marketplace and other global forums).

5. *Exploring* how to implement sustainability solutions at scale in partnership with international, regional, national, sub-national and municipal governments. This includes areas related to industry transition, green infrastructure and net zero attainment as well a Nature-based solutions and Natural Capital. This further includes supporting the development of the business, financial and investment cases to enable project viability.

6. *Focusing* on high standard carbon offsets and the creation of transparent and impact-focused carbon offset markets. These markets should direct offsets into Nature-based, technology-based and engineered transition solutions in support of emission reduction/carbon capture and biodiversity restoration. Also, explore opportunities to focus offset efforts in local jurisdictions so that consumers can see the benefits of sustainable actions being taken.

7. *Exploring* and scaling-up mechanisms and technologies that can draw down the carbon legacy that curbing emissions alone will not address. This includes scaling up research, innovation and investment into carbon capture, use and storage (engineered and Nature-based), recognizing the vital role of healthy soil and oceans to this process.

8. *Exploring* and scaling-up renewable, bio-based and circular solutions recognizing that the current industrial system needs to move from linear to circular. This requires a systems view of global value chains.

SECTION 2:
REDESIGNING NET ZERO & NATURE-POSITIVE TRANSITION

Article 5
Game Changers and Barriers

9. *Exploring* the benefits of sustainable labelling and warranting to rapidly drive consumer demand for sustainable products and services. Higher consumer demand will accelerate the focus on sustainability across product innovation, business models and supply chains.

10. *Examples* of game-changing sustainable innovations and investments to be explored include areas such as:

    i. Sustainable transportation methods
    ii. Biomimicry
    iii. Advanced biofuels
    iv. Sustainable Aviation Fuels
    v. Green hydrogen
    vi. Renewable energy storage including batteries
    vii. Electric flight propulsion
    viii. Nuclear fusion
    ix. Retrofitting buildings for higher energy efficiency
    x. Carbon-neutral construction and infrastructure (e.g. greening steel and cement and exploring bio-based alternatives)
    xi. Soil regeneration for enhance carbon capture
    xii. Natural Capital resource monitoring, including by satellite
    xiii. Green infrastructure (e.g. electric charging station networks, aviation and shipping infrastructure)

SECTION 3:
REBALANCING FOR SUSTAINABLE INVESTMENT

Article 6
Sustainable Investing at Scale

On every pressing issue we face, there are solutions that are not just available, but increasingly cost effective. At the same time there are trillions of dollars in sovereign wealth funds, pension funds, insurance, and asset portfolios looking for investible and sustainable projects with good long-term value and rates of return. There are two broad dimensions to sustainable investing at scale: 1) Asset owner/Asset manager commitment to investing strategically to recognize companies that are making the transformation according to the company roadmap and 2) Developing new sources of funding for sustainable activities. This requires not only showcasing high potential investments, but that we reimagine mandates, financial analysis, structuring and models of return. Access to finance and innovation are key to bringing sustainable markets from niche to norm.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Furthering* active and unprecedented collaboration among investors and asset owners which can mobilize the trillions of dollars needed to put our economy on the sustainable trajectory.

2. *Developing*, by January 2022, publicly accessible, expedited investment strategies and plans for transition that will outline detailed steps to align investment portfolios and align capital toward to net zero and Natural Capital improvement. The annual review of the Terra Carta will provide a state-of-play on global sustainable investment to support continuous improvement, robust innovation and acceleration over the decade.

3. *Exploring* the adoption of the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Investment framework.

4. *Working* with clients or managers to review mandates and develop product offerings to support and incentivize sustainable investment in line with net zero investment strategies.

5. *Scaling* up new investment in green/sustainable infrastructure recognizing the financing gap for green energy, water, sanitation, transport and other infrastructure. A shift in portfolio allocation to sustainable infrastructure projects would rapidly energize and accelerate the sustainable green economy of the future.

6. *Allocating* significant capital to funds investing in assets and companies delivering the technology, infrastructure and activities needed to achieve the transition to net zero and biodiversity/Natural Capital restoration. Also exploring how to scale-up these allocations expeditiously, in line with the investment trajectories necessary to achieve net zero.

7. *Establishing* a private sector-focused Natural Capital Investment Alliance to enhance Natural Capital as an investment and offset theme. This Alliance would also further the creation and growth of impact-oriented Natural Capital Funds. This would include exploring the investment propositions to maintain and restore highly biodiverse natural ecosystems over large land and marine areas, particularly in Africa, Latin America, Asia and Small Island Developing States.

8. *Reviewing a*nd updating financial analysis, including valuations to incorporate the risks and opportunities of the climate transition, and innovating the structuring of investments to provide funding on a much greater scale for sustainability-driven projects.

SECTION 3: REBALANCING FOR SUSTAINABLE INVESTMENT

Article 6

Sustainable Investing at Scale

9. *Defining* the benefits derived from the Natural world and accounting for alignment to net zero and the value of Natural Capital on company balance sheets.

10. *Encouraging* an open investment platform, such as the SMI Marketplace, to connect large-scale sustainability-focused investment opportunities with large-scale long-term investment.

11. *Examining* and revising mandates of institutional investors and asset owners, in line with net zero and Nature-positive practices/targets.

SECTION 3: REBALANCING FOR SUSTAINABLE INVESTMENT

Article 7

Nature, the True Engine of Our Economy

Climate change, land-use, food production and human health are all deeply interconnected. Transforming the land sector towards more sustainable practices could contribute an estimated 30% of the global mitigation needed by 2050 to deliver on the 1.5˚C target. By any measure Nature's contribution to the global economy is significant and some estimates hold it at greater than annual global G.D.P., estimated at $87.79 Trillion in 2019. Building conservation and Nature-based solutions into our asset base and supply chains can, therefore, offer significant economic growth opportunities for countries and businesses alike – including in areas such as the circular bioeconomy, ecotourism and green public infrastructure. It is time to define the benefits we derive from the Natural world and account for Natural Capital on companies' balance sheets. Without this, firms cannot tell the true value of their asset base, nor how damaging their operations may be.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Respecting*, repairing and regenerating Natural Capital in areas of corporate and supply chain operations as well as in areas of greatest global need.

2. *Building* Natural Capital and Nature-based Solutions into corporate asset bases, portfolios and supply chains.

3. *Articulating* a value for Natural Capital while seeking to build business and economic solutions around the wealth that Nature affords. This includes exploring how to account for, and value, Natural Capital on companies' balance sheets. These efforts would be accelerated by rapid sharing of methodologies and accounting methods within and across industries.

4. *Creating* the conditions to ensure investment dollars flow toward preserving Natural Capital. New and innovative financial tools will need to be designed and implemented to enable Nature-based investments. This will require:

    i. Bringing to market more Natural Capital investment platforms.
    ii. Using public funds and blending mechanisms to leverage more private sector finance into Nature.
    iii. Creating new and innovative finance models such as green/blue bonds for forests, reefs, mangroves and landscapes.
    iv. Driving regenerative agriculture with a core focus on soil carbon as well as ocean restoration as two recognized natural carbon sinks.
    v. Reinvigorating successful historical approaches to Natural Capital investing such as debt-for-Nature swaps and public-private-philanthropic partnerships for Nature.
    vi. Targeting coordinated and trusted carbon offsetting funds to the recovery of Natural Capital and the reduction of carbon emissions.
    vii. Pursuing mega-projects such as the restoration of millions of hectares of degraded land including the restoration and preservation of the Great Barrier Reef, the Southeast Asian deltas, the Amazon, the Great Green Wall and Africa100. Such efforts would have consequential benefits for soil, plants, trees, animal and insect species along with human communities in terms of wellbeing, employment, health, water supply, agricultural production and carbon capture.

SECTION 3:
REBALANCING FOR SUSTAINABLE INVESTMENT

Article 7
Nature, the True Engine of Our Economy

viii. Establishing markets for ecosystem services.

ix. Developing Natural Capital innovation hubs where the ideas and technological solutions of tomorrow will germinate and flourish.

5. *Leveraging* private catalytic finance and a catalytic 'Sustainable Markets Initiative Natural Capital Fund' to:

   i. Create a multiplier effect. This means that every dollar of catalytic capital can be leveraged multiple times in order to derive a gross amount of investment.

   ii. Enable commercial capital to flow to the Nature-based solutions opportunities. Many of the world's scalable investment propositions in Natural Capital are in emerging markets and catalytic finance enables the flow of capital to these regions.

   iii. Private catalytic finance could be put to work immediately, unlike concessional finance which typically takes more time to secure.

6. *Exploring* the development of incentives and enabling mechanisms necessary to scale Natural Capital and Nature-based Solutions, including the potential to link financing to corporate carbon offsetting and revenue from a carbon price. Key considerations include:

   i. The Nature-based carbon offset market is expanding as a result of the growing number of companies committing to net-zero targets.

   ii. Market standards and governance are needed to create a well-functioning market capable of intermediating the large international financial flows from businesses, consumers and taxpayers.

7. *Exploring* Nature-based solutions that foster species-rich systems over monocultures. These can support productive and resilient agriculture, agroforestry, forestry and aquaculture, while avoiding the pitfalls of land degradation, resource depletion, pollution and insect decline.

8. *Exploring* regenerative agriculture, including practices such as organic and no-till farming to restore soil fertility, or using silvopastoral or agroforestry systems. These practices could enable agriculture to become a net carbon sink, rolling climate change backwards profitably, as it revitalizes rural communities and enhances human health. This will require the agriculture industry, including agri-industrial corporations, to revise their operating models to benefit both biodiversity and small-scale farmers.

SECTION 4: RETHINKING MARKET FORCES

Article 8
Create Market Incentives

What is incentivized happens. We must reverse perverse subsidies and improve incentives for sustainable alternatives. To achieve scale within sustainable markets we must not be afraid to adapt our long-standing incentive structures if we are to reap the benefits afforded by a more sustainable world. Re-orientating economic subsidies, financial incentives and regulations can have a dramatic and transformative effect on our market systems. It is time to level the playing field and to think about how we properly deploy taxes, policies and regulation in a way that catalyzes sustainable markets.

Actions that the private sector and economic actors could adopt that will further the ambition and deliver the results required include:

1. *Improving* industry understanding and exploring how to further the application of a carbon price to correct the market failure that exists in favor of fossil fuels. A $100/tonne of CO_2 is widely viewed as the current minimum effective price to see market correction. To encourage the accelerated transition away from fossil fuels to renewables, it may be desirable to set a price above this level. A phased-in transition over the decade could be explored to both send the market signals necessary and allow industry to adapt.

2. *Exploring* what role industry can play to encourage the adoption of a carbon price, including exploring how an internal carbon price could impact on company operations and supply chains. This includes exploring how to improve industry understanding of carbon pricing, incentive, and cross-border models.

3. *Ensuring* revenue generated from carbon pricing is invested transparently into sustainable transition efforts, the green economy, green technology development and Natural Capital – this would help to fuel and accelerate the global transition to a sustainable future. Consumers should be educated on where these revenues are invested.

4. *Exploring* how to tackle perverse subsidies, lending and investment (e.g. fossil fuel, forestry, fisheries and agriculture). Reversing these perverse practices has the potential to rapidly redirect resources to accelerate the transition to sustainable industries and a sustainable future. This shift would also transform the lives and livelihoods of millions of small farmers, landowners and fishermen, along with rural and coastal communities around the world while helping to improve food security and employment.

5. *Examining* and improving lending practices, particularly within the financial services industry, in line with net zero and Nature-positive practices, targets and opportunities.

SECTION 4: RETHINKING MARKET FORCES

Article 9
Adopt Common Metrics and Standards

An increasing number of corporations are adopting ESG methodologies and highlighting their SDG-aligned investments. However, it is time to move to unified metrics, global standards and mandatory disclosure. There is a movement toward convergence of existing global standards among the standards setters and that is important. Industry has emerged as an important voice in this convergence movement, including through the World Economic Forum's International Business Council's Stakeholder Capitalism Common Metrics. Developing a single global standard for non-financial ESG reporting, which includes reporting on sustainability, will accelerate the ability of people to trust that the goods and services they buy are socially, environmentally and ethically produced. Through new technologies we have the ability to tag, track and trace supply chains in unprecedented ways – so it is time to make this level of transparency the norm.

Actions that the private sector and other relevant economic actors could adopt that will further the ambition and deliver the results required include:

1. *Encouraging* the continued convergence of standards and reporting toward a single, universal metric. This is critical to accelerating progress towards sustainable markets and a sustainable future. The IBC metrics and other standards include adopting TCFD as well as disclosing climate risks and greenhouse gas emissions in company operations and supply chains.
2. *Supporting* the international business, financial and accounting communities to complete the job of establishing a unified, coherent, global system of mainstream reporting of ESG factors in cooperation with public authorities and leading voluntary standards.
3. *Outlining* opportunities to enhance global sustainability/environmental policy harmonization, integration and coherence. Differences in policy across regions creates distortions in economic activity by changing the incentives of businesses and also increases corporate costs. The net consequence being lowered productivity and allocation of resources to manage corporate compliance with policy differences rather than productive activities such as innovation.
4. *Integrating* sustainability into management systems to bring parity of sustainability data with other business metrics will help to redefine value measurement and improve decision-making.
5. *Improving* company-wide understanding of sustainability standards, metrics and industry benchmarks, including for Board members, employees, shareholders, clients, suppliers and consumers.
6. *Focusing* on the integration of data to enable sustainable value chains (e.g. via sustainable labelling and battery passports). These efforts aim to enable responsible decision-making, trust and transparency while creating sustainability metrics at parity with other business data.

SECTION 5: REINVIGORATING INNOVATION

Article 10

Catalyze Science, Technology and Innovation

We must urgently invest in STEM, innovation and R&D at scale with a focus on sustainable solutions, alternatives and industries. Whether it is AI, or indeed nuclear fusion, 3-D printing, energy storage, electric transportation, carbon capture, renewables or biotech; we are on the verge of catalytic breakthroughs that will alter our view of what is possible – and profitable – within the framework of a sustainable future. To move forward, we must acknowledge that sustainability and profitability are no longer mutually exclusive. Effective solutions must ensure that sustainable technologies and alternatives are competitively priced.

Our science-based and economic systems are vital to finding and scaling the solutions we so desperately need. We have seen in the last decade how quickly sustainable technologies can advance if there is a strong market signal and a clear sense of direction. This is vital if we are to accelerate the pace. Innovation will allow us to move from linear exploitation of finite planetary resources into a circular and sustainable era.

Actions that the private sector and other relevant economic actors could adopt that will further the ambition and deliver the results required include:

1. *Exploring* a comprehensive industry strategy for science, technology and innovation, with clear entry points for investment aligned to industry and country roadmaps.
2. *Supporting* the transdisciplinary nature of innovation, research and development. This includes connecting Nature, science, technology and engineering with complex systems thinking, traditional knowledge and design thinking.
3. *Exploring* and investing in the potential of biomimicry and the study of Nature to accelerate the sustainable transition in almost every industry.
4. *Advocating* for innovation in greener and more circular design from the outset to enable greater uptake across the value chain. This includes prioritizing investment innovation throughout the product/service life cycle to incentivize sustainable solutions.
5. *Exploring* and investing in the potential of the circular bioeconomy to develop sustainable bio-based alternatives to fossil-based products, and to create sustainable industries with green economic growth.
6. *Exploring* the rapid deployment of clean energy innovations in industry / company operations and supply chains.
7. *Exploring* the potential of Carbon Capture Use and Storage (CCUS) (engineered and Nature-based) to reduce emissions and to help drawdown legacy carbon in the atmosphere.
8. *Reinforcing* the opportunity of technology-driven transformation with a focus on sustainable value and the role of technology as enablers of industry, social and environmental progress.
9. *Exploring* new science and technological advances around modelling, artificial intelligence and big data which provide a basis to better understand complex socio-ecological systems, including: more efficient engineering designs, investment predictions for higher return, modeling and simulation to reduce product waste from production to disposal.

SECTION 5:
REINVIGORATING INNOVATION

Article 10
Catalyze Science, Technology and Innovation

10. *Enhancing* access to continuous education and training of young people, communities and employees in line with the skills, jobs and opportunities of a sustainable future.

11. In support of gamer-changers (Article 5), and in partnership with academic and research institutions, *encouraging* accelerated investment into STEM, Innovation and R&D in the following areas, along with other potential solutions:

    i. Sustainable transportation methods
    ii. Biomimicry
    iii. Advanced biofuels
    iv. Sustainable Aviation Fuels
    v. Green hydrogen
    vi. Renewable energy storage including batteries
    vii. Electric flight
    viii. Nuclear fusion
    ix. Retrofitting buildings for higher energy efficiency
    x. Carbon-neutral construction and infrastructure (e.g. greening steel and cement and exploring bio-based alternatives)
    xi. Soil regeneration for enhance carbon capture
    xii. Natural Capital resource monitoring, including by satellite
    xiii. Green infrastructure (e.g. electric charging station networks, aviation and shipping infrastructure)